

WIRRAL COUNCIL

CABINET

2 JUNE 2011

SUBJECT:	COMMUNITY ASSET TRANSFER – VICTORIA HALL, BEBINGTON
WARD/S AFFECTED:	<i>BEBINGTON</i>
REPORT OF:	<i>DIRECTOR OF LAW, HR AND ASSET MANAGEMENT</i>
RESPONSIBLE PORTFOLIO HOLDER:	<i>CORPORATE RESOURCES</i>
KEY DECISION?	<i>NO</i>

1.0 EXECUTIVE SUMMARY

- 1.1 This report seeks approval for a transfer by lease of Victoria Hall, Village Road, Bebington, in accordance with the Council's Community Asset Transfer Policy.
- 1.2 The transfer is in support of the council's goal to reduce the running costs of the Council by improving the efficiency and value for money of Council services whilst reducing bureaucracy.
- 1.3 There will be a saving in the Council's revenue budget as a consequence of this transfer.
- 1.4 The transfer is not a Statutory duty.

2.0 RECOMMENDATIONS

- 2.1 That a transfer by lease of Victoria Hall be approved and the Director of Law, HR and Asset Management be authorised to complete the necessary legal documentation, on the terms set out in this report.
- 2.2 That the building works including the access road, the pre transfer funding, the operational equipment and the transitional costs for the first two years of the business plan, be funded from the Community Fund.

3.0 REASON FOR RECOMMENDATIONS

- 3.1 The Victoria Hall Steering Group (VHSG) has put significant time and effort into developing a detailed business plan and, in the view of officers, has taken a prudent approach to the development of that plan.
- 3.2 Substantial financial support will be required through the Community Fund to enable the Hall to move to a profitable position. This reflects the work needed to improve the flexibility and lettability of the facility and to move away from the current operating model and reduce the existing, operating deficit. It also reflects

the fact that VHSG is a newly formed group which has not had the benefit of running the Hall previously (unlike Joint Management Committees of community centres) and building up financial reserves.

- 3.3 Whilst there are clear risks in moving forward to transfer the hall, the new Trust, with Council support, should be able to deliver a vibrant, refurbished and modernised facility for the benefit of the local community and the wider area.

4.0 BACKGROUND AND KEY ISSUES

- 4.1 Cabinet, at its meeting on 15th January 2009, identified a number of facilities that should be transferred to community management, where the community expressed an interest.
- 4.2 At its meeting on 19th March 2009, Cabinet approved a Community Asset Transfer Policy to ensure that transfers are approached on a consistent basis. This requires interested parties to submit initial expressions of interest in a standard format so they can be appraised and a recommendation made as to which applicant(s) should proceed to a second stage. The second stage would require a much more detailed response to be submitted including a business plan.
- 4.3 In accordance with the policy, Victoria Hall was advertised in the local press which resulted in three groups submitting expressions of interest. These were assessed and reported to Cabinet on 14 January 2010 which resolved to invite one of the parties, the Victoria Hall Steering Group (VHSG), to submit a more detailed proposal.
- 4.4 On 24th June 2010 Cabinet reconsidered the resolution of 15th January 2009 in respect of the deadline for closure of facilities, and agreed to extend the deadline to 31st March 2012 where groups are willing to proceed with a transfer.
- 4.5 In response to the revised deadline, the Victoria Hall Steering Group has confirmed that it wishes to continue with a transfer.

VICTORIA HALL

- 4.6 Victoria Hall was constructed in 1897 as a purpose built Community Hall, of traditional construction with the main building being finished in a combination of sandstone and brickwork at lower level and painted dashed-render above. The original building was substantially extended in 1953.
- 4.7 Victoria Hall is operated by the Council as a community hall and offers a range of activities including dance classes, bridge and luncheon clubs. The facility has never been operated on a commercial basis and is made available for hire to many groups at heavily subsidised rates and is run at a deficit which, for the period 2010/11, is in the region of £82,000, inclusive of staffing costs.
- 4.8 As part of the proposed transfer, a condition survey has been undertaken which has identified a number of items of repair. These include replacement windows, drains and flat roofs, but it also reflects the level of investment required to upgrade and refurbish the facility.

TRANSFER PROPOSAL

- 4.9 The VHSG has submitted a proposal in accordance with stage two of the Community Asset Transfer process. The submission includes a business plan and explains how the proposal meets the criteria required for Community Asset Transfer. These include: outcomes and benefits, organisational structure, capability and skills, community benefits, sources of finance, use of space and collaboration.
- 4.10 The submission advises that the group which will be formed to run the premises will be the Victoria Hall Community Trust (VHCT), which will be a company limited by guarantee and also a charitable trust.
- 4.11 The business plan covers a five year period and shows how, with support of £36,048 in year one and £31,457 in year two, it will reach a profitable position in year three, rising in years four and five.
- 4.12 The VHSG propose to reduce running costs by following an operational model used successfully at other community halls in the country. This differs from the current operation as managed by the Council. The VHSG considers that this new approach will help to bring the operation into profit. This new approach relies, in part, on the users being active in setting up and clearing away equipment, which generates significant reductions in staffing costs. The cost of the equipment required to enable the group to run the facility in this manner has been estimated at £34,550 the cost of which the group has also requested be met from the Community Fund.
- 4.13 The group has not previously been involved in the running of the facility and to take it over from the Council, the group has identified the need for funding in the sum of £37,620 for set up costs and to procure advice and services, prior to taking over the hall and to establish itself to take over the building. The group has requested that this cost be met from the Community Fund.
- 4.14 The condition survey report for Victoria Hall identifies the need for the replacement and refurbishment of units to the two kitchen areas. However, the VHSG has advised that it does not believe the facility requires two large kitchen areas but would benefit from the remodelling and refurbishment of one kitchen, together with the bar area and toilet facilities. This would increase the capacity for letting the hall, which in turn, would contribute significantly to the viability of the centre. The cost of these works has been estimated at £114,500 ex Vat, plus fees and contingencies.
- 4.15 The access road to Victoria Hall is shared with a Housing Association, serving both the Hall and the bungalows in Acorn Close. The road is not currently adopted, but is owned by the Council, subject to a right of way in favour of the Housing Association. The responsibility for maintenance is unclear, but as significant maintenance has not yet been required, this has not been an issue. However, as the road deteriorates over time, it will become an issue. Consequently the group has requested that, as part of the transfer, the access road is brought up to adoption standard and maintained as part of the public highway, the cost of which has been estimated at up to £25,000.

4.16 The Community Asset Transfer policy advises that the Council will not normally seek payment of rent under a lease from community based groups, unless substantial commercial use of buildings generates large profits in excess of the running costs of the property. However, the Council will normally expect community based groups to be responsible for the running costs of the building, including repairs, maintenance and all insurance. In light of the business plan and the community benefits described later in this report, the main terms of the proposed lease are as follows:

- Term: 99 years
- Rent: Peppercorn
- Liabilities: The lessee to be responsible for all outgoings and maintenance.
- User clause: Community Activities

4.17 Members will be aware of the Council's obligation to obtain the best price reasonably obtainable on the disposal of its land and property. However, under the General Consent, the Council does have the power to restrict the value of land by imposing restrictions as to its use on the grounds that to do so is in the interest of the economic and / or environmental and / or social well being of the inhabitants of the Borough and provided also that any such restriction in value does not exceed two million pounds, per transaction.

COMMUNITY BENEFITS

4.18 As part of its business plan VHSG has stated that the following benefits to the community will arise from the proposed transfer:

Victoria Hall has been a community facility for well over 100 years. It is a well used, yet underutilised, building. VHSG views the future of Victoria Hall as one full of potential. It is time for the many people of Higher Bebington to become acquainted with Victoria Hall, their village hall. The promotion of Victoria Hall as Higher Bebington's village hall, which was its original designation, is a significant marketing feature. Projects which target specific groups provide a basis for involving wider sections of the community. VHCT will develop annual community events to attract local interest. Our vision for a community focused centre delivering quality experiences in a welcoming, caring environment is at the heart of what the VHSG wishes to achieve. Many hours and extensive resources have been devoted to developing the business plan by a dedicated group who are endeavouring to create a community hub. The VHSG has proved that it is dedicated to a programme of regeneration for Victoria Hall and is committed to promoting new practices and quality experiences.

5.0 RELEVANT RISKS

5.1 Whilst the business plan has been assessed and is considered to show viability and sustainability, there is the risk that, without continued financial support from the Council, the facility could fail. Under these circumstances the Council's Community Asset Transfer Policy advises that the Council will normally be willing to accept a transfer back of a building, without any payment or penalty, if the community based group no longer wishes to manage the facility. In these

circumstances the building would then normally be sold on the open market, unless another community based group expressed an interest in its management.

- 5.2 In developing the business plan the VHSG has adopted a realistic approach to its assumptions in the business plan. There are however, risks to any business venture and as part of its business planning, the group has highlighted a number of risks in its business plan, which are summarised as follows:

Failure to balance the books over the period of the business plan	This is a serious risk. VH has over 20 regular groups who are keen to continue using the premises for their activities. There are also regular enquiries from new groups. VHSG has been very cautious in its approach to budgeting; its aim is to balance the books as the accounts show. VHSG will promote and increase the social / family events to maintain the staffing element and improve the quality of Victoria Hall.
Loss of the car-park	The car park is owned by Riverside Housing. They have stated (email) that they are not interested in the Hall for building and that VH users can continue to use the car park. Riverside Housing will continue to maintain the car park. There is a good overhead light for the car-park maintained by VH. See appendix 15.
Acorn Close	Acorn Close is the road which runs alongside Victoria Hall leading to Riverside's Sheltered Housing at the back of Victoria Hall. This is the only point of access to both Victoria Hall and Riverside's housing. Acorn Close is in good condition and ideally should be adopted by the council.
Vandalism	There are occasional occurrences of vandalism. Higher usage of VH would help prevent this as will a greater feeling of community and ownership of VH by the local people. VHSG have links with the local neighbourhood police. There have been no serious incidents reported in the last 5 years.
Financial Prospects once the Transitional Revenue Support Payment declines and is withdrawn.	Future prospects for VH depend on establishing and maintaining regular groups and the on-off family / social bookings. Victoria Hall is a well-known venue in Bebington. With increased publicity and marketing, income levels should increase in the first five years to secure the future of Victoria Hall.
The new community trust starts off with inadequate funding.	As of today, the new community trust has no funds. It is dependent on WC providing finance for working capital, transitional costs and the covering of the deficits which are shown in the Business Plan particularly for the first three to five years. There is a responsibility for both WC and VHCT to ensure all the financial implications of the Business Plan are fully appreciated and understood so that the new trust is not put at risk by lack of financial support and therefore the asset transfer is stable and sustainable.
Failure to find effective staff	This is a risk, however provided accurate job descriptions, fair remunerations, suitable management and a probation period incorporated this is a fairly low risk.
Loss of existing	It is vital the hall retains existing users. VHSG's proposals for

users	how the hall will operate will represent change for the users and this need to be explained properly and the changes be practical for the users. For Example, lightweight tables and chairs, electronic hatch, zoned heating, secure door entry systems for both user groups and functions. The steering group has held meetings with the users about the nature of these changes. As this mode of operation is widely used elsewhere, we are confident that it will be accepted by users.
Security and Theft	There will be not be much (if any) cash at Victoria Hall except for the Bar area. Sensible precautions will have to be taken. Security will be an issue and the booking terms for users will have to lay down clear procedures for the conduct of opening up / closing up of the halls together with precise arrangements for stewarding at functions and social events.
The unknown and unexpected	VHSG has done its best to become aware of all the issues and uncertainties associated with managing VH. There has never been a management committee of local people involved with the running of VH. It is likely that after the asset transfer to the new trust, matters will arise which will need to be dealt with but for which no financial provision has been made. We term this ' the unknown and the unexpected'.
Competitors	This is a low risk as VHSG has considered the local competitors. VHSG has met with Christ Church and discussed the future of both halls. Both Entities confirm there is a need for both buildings in Higher Bebington. Christ Church is replacing an old building and will transfer all its bookings to the new building. Christ Church does not have room for new bookings. Indeed overflow from Christ Church comes to Victoria Hall. Victoria Hall has the benefit of being a non-denominational building for everyone to use. Victoria Hall is ideal for children's and family activities. The British Legion does have events but they are smaller and target a different clientele. The local schools do not take evening / weekend bookings.
Lack of public support / awareness	VH needs public support. Currently VH is used by thousands of people every year. VHCT will continue to publicise and promote VH. New signage will be erected to VH from the main roads and at the hall itself there will be clear entrance notices and an external notice board. There will be a hosted website with full information about availability and hiring VH and links to the regular groups. VHCT will advertise widely using local press, radio and leaflet / poster opportunities. We will maintain up-to-date details of all VH activities and events.

6.0 OTHER OPTIONS CONSIDERED

- 6.1 The proposed transfer is in accordance with the resolution of Cabinet of 15 January 2009 which resolved that the facility should be transferred to community management, where the community expressed an interest. As the VHSG is willing to proceed with a transfer, no other options have been considered.

7.0 CONSULTATION

- 7.1 The Victoria Hall Steering Group has received support from the Council in developing its proposals for transfer. As part of its business planning process the group has consulted with users and the community.

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 8.1 The VHSG is a voluntary group. To satisfy the transfer process, it will form the Victoria Hall Community Trust, a company limited by guarantee, which will employ staff to run the facility. The facility will however, still be significantly reliant on voluntary support to continue to provide this community facility.

9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

FINANCIAL IMPLICATIONS

- 9.1 The Council will support use of Community Fund monies for a grant for the following items:

Repairs to Victoria Hall, estimated at £71,700 ex Vat plus fees and contingencies together with the additional works described in the sum of £114,500 ex Vat plus fees and contingencies.

The cost of adopting the access road in the sum of £25,000.

The cost of operational equipment in the sum of £34,550.

Pre transfer funding in the sum of £37,620.

Revenue support for two years, as identified in the business plan in the sum of £67,505.

- 9.2 The transfer of this asset on the terms described will result in revenue savings to the Council in running costs of approximately £82,000 per annum.

- 9.3 If the Council retained Victoria hall it would have to address the Backlog maintenance estimated at £71,700 from its own resources. Future life cycle maintenance costs are estimated at £64,000 over the next 10 years, which the Council will no longer be responsible for after transfer.

IT IMPLICATIONS

- 9.4 None arising directly from this report.

STAFFING IMPLICATIONS

- 9.5 There are two caretakers currently employed by the Council to run this hall and they will be managed in accordance with the Council's staffing policies.

ASSET IMPLICATIONS

- 9.6 If the Council were to sell the property with vacant possession it could achieve a capital receipt. The actual amount would be determined by a marketing exercise, but would be expected to be in the region of £200,000.

10.0 LEGAL IMPLICATIONS

- 10.1 Approval of the recommendations will require the Council to prepare appropriate legal documentation to enable the transfer to proceed.

11.0 EQUALITIES IMPLICATIONS

- 11.1 The transfer lease will require the group to adhere to current legislation including equal opportunities.
- 11.2 An Equality Impact Assessment has been undertaken in respect of the Community Asset Transfer process. An individual EIA in respect of this transfer is currently being undertaken.

12.0 CARBON REDUCTION IMPLICATIONS

- 12.1 Post transfer, the group will need to operate the facility in a cost effective manner and will need ensure that energy bills are kept to a minimum.
- 12.2 The transfer will result in a saving in the Council's CO2 emissions which has been calculated at 28 tonnes for the year 2011/12.

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

- 13.1 There are no planning implications arising directly from this report.

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APPENDICES

A location plan is attached identifying the building.

REFERENCE MATERIAL

Reference has been made to the Council's Community asset Transfer Policy which can be viewed through the Council's website.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet – Transforming Wirral	15 January 2009
Cabinet – Asset Management Update	19 March 2009
Cabinet – Community Asset Transfer, Victoria Hall	14 January 2010